

CITY OF SEGUIN

**AN ORDINANCE OF THE CITY OF SEGUIN TO TAX TANGIBLE PERSONAL  
PROPERTY IN TRANSIT WHICH WOULD OTHERWISE BE EXEMPT  
PURSUANT TO TEXAS TAX CODE SECTION 11.253**

**WHEREAS**, the 82<sup>nd</sup> Texas Legislature in its First Called Special Session enacted Senate Bill 1 to take effect on October 1, 2011, which amended Texas Tax Code Section 11.253 to exempt from taxation certain tangible personal property held temporarily at a location in this state for assembling, storing, manufacturing, processing or fabricating purposes (goods-in-transit) which property has been subject to taxation in the past; and

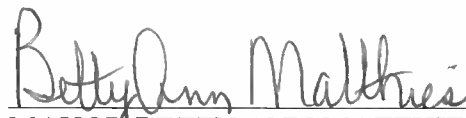
**WHEREAS**, Texas Tax Code 11.253(j) as amended allows the governing body of a taxing unit, after conducting a public hearing, to provide for the continued taxation of such goods-in-transit but requires that the governing body hold a public hearing and pass legislation even if the governing body had done so in response to the 2007 legislation; and

**WHEREAS**, the City Council of the City of Seguin, having conducted a public hearing as required by Section 1-n (d), Article VIII, Texas Constitution, is of the opinion that it is in the best interests of the City to continue to tax such goods-in-transit;

**NOW, THEREFORE BE IN ORDAINED BY THE CITY COUNCIL OF THE CITY OF SEGUIN**, that the goods-in-transit, as defined by Texas Tax Code 11.253(a)(2), as amended by Senate Bill 1, enacted by the 82<sup>nd</sup> Texas Legislature in its First Called Special Session, shall remain subject to taxation by the City of Seguin, Texas.

Passed on first reading on the 15<sup>th</sup> day of November, 2011.

Passed and adopted on second and final reading on the 6<sup>th</sup> day of December 2011.

  
MAYOR BETTY ANN MATTHIES

ATTEST:

  
Thalia Stautzenberger  
City Secretary



## MEMORANDUM

To: City of Seguin Mayor and Council  
From: Andy Quittner, City Attorney *Andy Quittner*  
Date: November 7, 2011

Re: **Ordinance continuing ad valorem taxation of goods in transit**

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In 2007 goods in transit (tangible personal property held temporarily at a location in this state for assembling, storing, manufacturing, processing or fabricating purposes) were exempted from ad valorem taxation unless a municipality decided to continue such taxation by ordinance following a public hearing. The City of Seguin conducted a public hearing and then passed an ordinance continuing taxation of goods in transit.

During the various budget negotiations that occurred during the last session of the Texas Legislature, changes to ad valorem taxation of goods in transit were made and incorporated into Senate Bill 1 – that was passed during the First Called Special Session. A section in S.B. 1 reestablished the tax on goods in transit except where a municipality held a public hearing and passed an ordinance continuing the tax (even if the municipality had previously passed such an ordinance). A municipality desiring to continue the taxation of goods in transit must pass the ordinance between November 1 and December 31, 2011.

The attached ordinance continues the City's present practice of levying ad valorem taxes on goods in transit.